

~~SECRET~~

G B G G - 6

STATEMENT OF THE HONORABLE G. WARREN NUTTER
ASSISTANT SECRETARY OF DEFENSE
(INTERNATIONAL SECURITY AFFAIRS)
BEFORE THE
SENATE ARMED SERVICES COMMITTEE
7 MARCH 1972

Mr. Chairman and Distinguished Members of the Committee:

It is a privilege to appear today before this Committee to explain the request for some \$2.1 billion dollars in the Defense Budget to support our allies in Southeast Asia.

Since my last appearance before this Committee, many changes have taken place in Southeast Asia, and considerable progress has been made toward achievement of our objectives. Those objectives must be viewed in the broader context of our overall policy in Asia. Secretary Laird, in his report on National Security Strategy of Realistic Deterrence, has summed up our role in Asia as follows:

"The United States is a Pacific power, and as such must recognize and accept its responsibilities in the area. We seek to do so as a partner, as one of a group of concerned nations acting in concert. It is our objective to support our allies and fulfill our treaty commitments in the context of the Nixon Doctrine."

It is to implement that objective -- to support our allies and fulfill our commitments -- that these requested funds are needed.

We intend to use these funds to translate the principles of the Nixon Doctrine into concrete form as that Doctrine relates to Southeast Asia. These principles require that the US keep its treaty commitments,

OSD Review Completed

~~SECRET~~

OLFO (IA)
Control No.

S. 72-012
Copy
14 of 21

SECRET

2.

that the country threatened be primarily responsible for its own defense, and that the US provide assistance when its interests are involved. If the principles are to be implemented, our allies must have the military hardware, the training, and the organization needed for a realistic deterrent.

That we are moving in the right direction is clearly shown by the reduction in our military presence in East Asia. Secretary Laird points this out in his report:

"Last year I noted that we do not plan for the long term to maintain separate large US ground combat forces specifically oriented to the Asian theater alone, but we do intend to maintain strong air, naval and support capabilities. To serve as a deterrent and to support our allies, we continue, of course, to maintain balanced, forward deployed ground, air and naval forces in the Asian theater. However, we expect to continue to emphasize the strengthening of the military capabilities of our friends and allies, as we move toward Nixon Doctrine peacetime deterrent forces."

There were approximately 825,000 US military personnel in East Asia on 30 June 1969. There are now less than half that many. In Vietnam the present US strength is under 120,000 as opposed to 538,700 in mid-1969. In Thailand, US forces have dropped from 47,500 to 32,000. In the Philippines the reduction has been approximately 9,000 and in Korea about 20,000. Yet we continue, in cooperation with our allies, to contain Communist expansion and subversion and to demonstrate that we are in fact a Pacific power dedicated to creating the conditions necessary for a generation of peace.

SECRET

SECRET

3.

Progress is also evidenced by successful implementation of our Vietnamization program, and by continued existence of a viable government in the sorely pressed country of Laos. We have simultaneously achieved a reduction in overall requirements for funds to support our effort.

In 1969, President Nixon launched the process of progressively turning over defense responsibilities to the South Vietnamese and thereby reducing US involvement. Vietnam became the test case and the first crucial step in implementing the Nixon Doctrine. The viability and effectiveness of the Nixon Doctrine, as applied in Vietnam, have been demonstrated by the record of our Vietnamization policy. Now, in 1972, we can examine with considerable pride the accomplishments of the past three years. As the President recently outlined in his report to the Congress:

-- There has been a steady decline in American forces over the past three years, with over 400,000 of our troops withdrawn. The authorized American troop level on February 1, 1972 was 139,000. The further withdrawal announced on January 13 will bring our forces down to 69,000 by May 1, 1972. That authorized force level will represent an 87 percent reduction from the level inherited by this Administration.

-- American combat deaths averaged 278 per week in 1968. They were down to 26 in all of 1971 and to 11 in the last half. Close to 60 percent of all US casualties during this Administration occurred in 1969, including 40 percent during the first six

SECRET

SECRET

4.

months -- before our programs had a chance to take hold. Despite its vastly greater role in the war, South Vietnam has also experienced a decline in its casualties from the 1968 level.

-- In 1971 Americans flew a monthly average of 11,000 attack sorties in Indochina, including only 1,500 in South Vietnam, representing declines of about 70 percent and 90 percent respectively from the 1968 levels.

-- Average monthly US draft calls declined to 7,500 in 1971, one-fourth the 1968 figure.

-- During 1971 the South Vietnamese army, up to 1.1 million from the 1968 level of 800,000, conducted twenty major combat engagements for every one involving US forces. By year's end, US forces had shifted essentially to a defensive and base security role.

-- In the country side, at the close of 1971 approximately 73 percent of the rural population was under South Vietnamese government control, with 24 percent contested and 3 percent still in enemy hands. Including the now secure urban population of 6 million, over 80 percent of the total South Vietnamese population was under GVN control.

-- South Vietnamese economic reforms have reduced inflation to 15 percent annually, turned over more than 800,000 acres of land to tenant farmers, and laid the grounds for long range economic development.

SECRET

SECRET

5.

-- The additional costs of the war have steadily dropped and total \$7 billion in the current fiscal year, down by almost 65 percent from the costs three years ago.

These accomplishments are reflected in the Vietnamization program, which was planned in three phases:

- Phase I: Assumption by South Vietnam of the ground combat role against Viet Cong and North Vietnamese forces. Phase I was completed last year.
- Phase II: Development by South Vietnam of those support capabilities -- air, naval, artillery, logistics, and other -- necessary to maintain effective security. Major progress was made last year in these areas, notably including the South Vietnamese assumption of in-country naval operations and a very substantial portion of the in-country air combat responsibilities.
- Phase III: Reduction of American presence to a military advisory mission, with whatever small security forces are needed to protect this mission, and then further reductions as South Vietnam becomes capable of handling the threat with no US military presence required.

Our activity in Indochina has been and will continue to be in consonance with the goals we established at the beginning of Vietnamization. We seek to:

SECRET

SECRET

6.

- Maintain our obligations and interests in Asia as we move toward a generation of peace;
- Reduce American casualties:
- Secure the release of our prisoners of war and an accounting for our missing in action;
- Continue to withdraw US forces; and
- Transfer military responsibility to the Republic of Vietnam in a way that provides the South Vietnamese with a realistic capability to defend itself against aggression.

In sum, the major part of our Vietnamization program has been accomplished and we are ahead of schedule on the tasks that remain. The philosophy that predominated as we assumed office in 1969 of a US "takeover" of military activities in South Vietnam has been superseded by the reality now of a US "turnover" of responsibility for continued combat operations, as every statistical indicator confirms. Vietnamese forces have demonstrated professional skill, valor, and combined-arms effectiveness in their operations to date. Particularly noteworthy has been the ability of the Vietnamese to operate away from their permanent bases in areas the enemy has occupied for years. While we cannot expect the South Vietnamese to win every battle, their effectiveness should increase even more as they gain more confidence and strength.

The funds requested under the Military Assistance Service Funded (MASF) program are necessary if we are to sustain the success of Vietnamization. These funds will provide the materiel and equipment that can enable South Vietnam to provide for its security and meet the enemy threat with even less reliance on US support.

SECRET

SECRET

7.

Our MASF programs are carefully developed and based on the force structure we have assisted the South Vietnamese to organize, train, and deploy. This force has been designed at General Abrams' headquarters in consultation with the South Vietnamese, reviewed by CINCPAC and the JCS, and approved by the Secretary of Defense. The Consolidated Republic of Vietnam Armed Forces Improvement and Modernization Program (CRIMP) provides for continuous review of the force structure so that it can be modified as the situation requires.

By helping the GVN to maintain a strong armed force, we are reducing their reliance on US support and permitting large reductions in the number of US military personnel required in Vietnam. As I have noted, our in-country troop strength has declined by over 400,000 men since 1969 and will be reduced still further in the months ahead.

So far, I have described the military implications of MASF, for it is military requirements that justify MASF requests. There is also another aspect that bears mention, namely, that MASF support relieves the Government of Vietnam of some of the tremendous financial burden of maintaining the type of force necessary to counter its persistent enemy. This relief permits South Vietnam to assume more responsive control over its budget and thereby contributes to economic stability. Further, MASF support provides to South Vietnam the "breathing room" it needs to respond to the economic guidance we have been offering for development of a self-reliant economy. In effect then, beyond the military aspects, our MASF program is also setting the stage for assumption by South Vietnam of a greater share of the economic burden of the war so that there may be

SECRET

SECRET

8.

further reductions in our MASF requests in the future. The estimated MASF program to South Vietnam totals \$1.6 billion for FY 1973.

An important element of free world support to the South Vietnamese in their struggle against incursions from the north has been the presence in South Vietnam of a sizeable force of the Republic of Korea (ROK). Our aid to the ROK has enabled it to send two army divisions, a Marine brigade, and certain other support elements to South Vietnam in response to requests for assistance from the Vietnamese. The Koreans recall the assistance given to their nation when it was threatened in a similar manner. They have suffered a loss of 4,030 killed and another 7,656 wounded in Vietnam as of February this year.

The ROK forces protect an important geographical segment of South Vietnam and help provide time for Vietnamization to take place. As the US forces in South Vietnam have been reduced, the ROK, after consultation with the South Vietnamese, has also reduced its forces. The Marine brigade and certain support units, amounting to approximately 10,000 men, have been or are in the process of being returned home. Negotiations are underway now between the ROK and GVN regarding the future deployment of the two divisions remaining in South Vietnam.

The \$134 million requested for the support of ROK forces in South Vietnam is, therefore, our best estimate of what is required to support the continued presence of two divisions of ROK troops in South Vietnam in FY 1973. Major categories of support include subsistence, attrition equipment, and ammunition.

SECRET

~~SECRET~~

9.

Our military assistance to Laos, which is also funded within the MASF, is undertaken to sustain the legitimate government of Laos in its efforts to oppose the aggression of the North Vietnamese Army. North Vietnam has, ever since the ink was scarcely dry on the 1962 Geneva Agreements, without regard either for the Agreements or for Laotian sovereignty, used infiltration corridors in Southern Laos and attacked Royal Laotian forces elsewhere in Laos.

Certain decisions regarding budgeting and logistic support for Laos have been made over the past year. In sum, all military assistance to Laos will be budgeted and furnished by the Defense Department. Whereas in the past some of these costs were contained in the CIA budget, in FY 1973 they will be in the DOD budget. While arrangements for control of the US effort within the country team in Laos are not changed, the DOD will procure and deliver the materiel resources. This change, plus a modest response to the increased level of North Vietnamese aggression, account for the increased MASF funds for Laos from \$240.3 million in FY 1972 to \$360 million in FY 1973.

The specific requirements for military assistance are carefully examined. The program is developed by Deputy Chief, Joint US Military Assistance Group, Thailand -- DepChief -- and submitted to CINCPAC.

DepChief has recently been located at Udorn Royal Thai Air Base, in recognition of the requirements of the Geneva Agreements, but his mission is to provide military assistance to Laos. He is treated as a member of the country team and develops the military assistance requirements in collaboration with other elements of the country team that are

~~SECRET~~

~~SECRET~~

10.

more directly involved in the conduct of hostilities. Thus both DepChief and CINCPAC validate the contents of the military assistance program, and DOD approves it. I believe that unless the North Vietnamese greatly reduce their aggression in Laos, the requested figure is the minimum essential to accomplish our objectives in Laos.

The budget request of \$2,055 million for the entire MASF program represents a reduction from the request last year and in FY 1971. In both FY 1971 and FY 1972 approximately \$2,300 million was required. The cost of supporting the South Vietnamese and the Laotians in their efforts to preserve their national integrity is indeed large. However, if we are able to achieve a generation of peace, then these allies must be able to demonstrate to those threatening them that the best solution to the problems of the area lies not in battlefield confrontation but in co-operation at the conference table. Our past efforts have involved considerable sacrifice, both in men and money, but are now showing results.

The request for funds in FY 1973 has been developed with much thought and consultation based on our past experience and with the full consciousness at all echelons of the necessity for austerity while getting the job done. I solicit your favorable consideration of this request.

~~SECRET~~